

March 29, 1999

The Honorable William Kennard, Chairman  
Federal Communications Commission  
445 Twelfth Street, S.W., Room TW-A325  
Washington, DC 20554

RECEIVED  
DOCKET FILE COPY ORIGINAL  
MAR 29 1999  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

REF: Universal Service Administrative Company Report to FCC, Evaluation of the Rural Health Care Program

CC Docket Nos. 96-45 and 97-21  
DA 99-521

Dear Chairman Kennard:

On behalf of our nation's rural and frontier health care providers and beneficiaries, we are writing to express our support for the programmatic revisions contained in the Universal Service Administrative Company's (USAC) recent report to the Federal Communications Commission (FCC), which evaluated the rural health care portion of the Universal Service program. We urge the FCC to begin implementing the revisions outlined in USAC's report immediately to avoid further delays in the implementation of this important program, which is critically important to our nation's rural health care delivery system.

As you know, our associations have joined together on numerous occasions to share with the FCC our concerns regarding the delayed implementation of the rural health portion of the Universal Service program and have offered specific suggestions to the FCC for improving the program. We believe the USAC's report addresses the issues we have previously raised with the FCC including making the application process less burdensome on rural health care providers and broadening the number of providers eligible to benefit from this important program. Attached is our January 21, 1999 correspondence to the FCC regarding these issues.

However, our associations will only support the USAC's suggestion to delay the second-year application process by six months if the FCC, at a minimum, can guarantee that the USAC's other proposed revisions will be immediately implemented. If the FCC cannot guarantee that the programmatic changes will take place in six months, then we urge that the application process be allowed to continue on schedule.

We look forward to hearing from you regarding the FCC's ability to implement the proposed program revisions contained in the USAC's report within a six month time period. Please do not hesitate to call any of us if you have any questions regarding our continued support for the Universal Service program.

Sincerely,

National Rural Health Association  
American Academy of Family Physicians  
American College of Nurse Practitioners  
American Hospital Association  
American Medical Association  
American Telemedicine Association  
Association of Telemedicine Service Providers  
California Telehealth and Telemedicine Center  
Federation of American Health Systems  
Hospice Association of America  
National Association for Home Care  
National Association of Community Health Centers  
National Association of Rural Health Clinics  
National Grange

No. of Copies rec'd  
List A B C D E

CA 6

January 21, 1999

The Honorable William E. Kennard  
Chairman  
Federal Communications Commission  
1919 M Street, NW, Room 814  
Washington, DC 20554

Dear Chairman Kennard:

On behalf of our nation's rural and frontier health care providers and beneficiaries, we are writing to express our shared concerns regarding the current implementation of the rural health care portion of the universal service program as well as our strong support for expansion of the program.

Our collective memberships are extremely concerned that the Federal Communications Commission (FCC) has not fulfilled its commitment to implement the rural health portion of the universal service program. We believe that it is absolutely critical that the FCC work with the Rural Health Care Corporation (RHCC) and the health care community to resolve issues that have arisen and are impeding the progress of the program. For those issues raised below that cannot be implemented by the FCC, we strongly urge you to communicate the FCC's support for such changes needing legislative action to Members of Congress and the appropriate congressional committees.

First, in order for the universal service program to meet Congress's intent to provide rural and frontier Americans better access to quality health and mental health care services, it is absolutely necessary to modify the manner by which the eligible telecommunications services are deemed eligible for support. Given that there is very little, if any, difference in urban and rural monthly rates and that toll charges are not eligible for support, the program now primarily supports only mileage charges associated with T-1 lines. The exclusion of ISDN, POTS and other toll services from receiving support has severely limited the potential utilization of the program by rural health care providers. In addition, to date no one has qualified for the Internet component of the program because there is almost ubiquitous local access to the Internet. Furthermore, it appears many telehealth applications are moving away from dedicated point-to-point T-1 type services to switched, lower bandwidth applications such as the ones previously mentioned. The reality of this shift in technology is that the current universal service program structure does not provide discounts for these types of telehealth applications.

Second, provider eligibility for the program must be expanded to include rural home health care agencies, skilled nursing facilities, public health agencies and other health care providers without regard to their tax status. Rural and frontier communities are served by a wide variety of independent health care providers and the current eligibility limitations deny the benefits of telehealth to thousands of rural and frontier residents.

Third, the requirement that a telecommunications company needs to be an "eligible telecommunications carrier" (ETC) must be eliminated. While the intent of the 1996 Telecommunications Act was to increase competition between the local and long distance carriers, in reality, the ETC requirement has precluded long distance companies from participating in the program. This has prevented up to 35 percent of rural health care providers from benefiting from universal service discounts.

---

As a result of the above discussed issues, it has become increasingly apparent that the application process must be streamlined and simplified to better reflect the realities of how telehealth is practiced in rural and frontier areas. Numerous rural health care providers have contacted our associations regarding the program's burdensome application process, which currently takes up to 17 weeks to complete. The current application process requires rural providers, already pressed for time and resources, to complete a multi-step application process. Once approved, they must negotiate prices and discounts directly with the telecommunications companies. This entire process would have to be completed by the health care provider on an annual basis. As an alternative, we are proposing the FCC consider an across-the-board percentage discount for all rural telehealth services. Such a process would not require negotiations between the rural health care provider and the telecommunications company.

While we are pleased that an additional seat was added to the full USAC board and designated for a rural health representative, we continue to have strong reservations regarding the structure and exact role of USAC's Rural Health Care Advisory Committee. We urge members of the FCC staff with oversight responsibilities for the program and USAC's rural health representatives to meet and discuss these issues with the rural health care community to ensure that the views of this community are fairly and adequately represented and that the program is being implemented in a timely and effective manner.

In closing, we respectfully request a meeting with you to discuss ways to implement the current universal service program and to expand the program to better meet the original intent of Congress. To schedule a convenient time to meet and if you have any questions, please call Darin E. Johnson, the NRHA's Government Affairs Director, at (202) 232-6200.

Sincerely,

National Rural Health Association  
American Academy of Family Physicians  
American Association of Homes and Services for the Aging  
American College of Nurse Practitioners  
American Hospital Association  
American Medical Association  
American Psychological Association  
American Telemedicine Association  
Association of Telemedicine Service Providers  
California Telehealth and Telemedicine Center  
Federation of American Health Systems  
Hospice Association of America  
National Association for Home Care  
National Association of Community Health Centers  
National Association of Rural Health Clinics  
National Grange  
National Organization of State Offices of Rural Health